

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6212-01
Bill No.: HB 1947
Subject: Elections; Political Subdivisions; Sewers and Sewer Districts; Water Resources and Water Districts
Type: Original
Date: April 2, 2012

Bill Summary: This proposal authorizes any city, town or village to impose, upon voter approval, a fee for the repair or replacement of residential lateral sewer service lines.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** assume the current proposal would not fiscally impact their agency.

Officials from the **City of Kansas City** assume the current proposal would not fiscally impact their city.

Officials from the **Public Water Supply District #2 of St. Charles County** assumed the proposal would preempt the District's authority to fix rates and charges for wastewater services based upon sound financial principles. This could cause the District to violate its existing bond covenants causing a downgrading of its bond rating and increasing interest costs to the District estimated at hundreds of thousands of dollars per year. In addition, substantial banking, bond and legal fees would be incurred to help prevent defaults on existing bonds, causing an increase in the monthly water and sewer bills for District customers.

In addition, the District stated that if the proposal passed it could prevent or limit the District's ability to collect enough revenue to operate effectively and efficiently. Ultimately, if unable to determine its own sewer rate structure to fund sewer system operations and maintenance, pay off existing bond debt and meet legal requirements, the proposal could cause a negative impact in Lake St. Louis and surrounding areas.

Officials from the **Metropolitan St. Louis Sewer District** assume the current proposal would not fiscally impact their agency.

Officials from the **Cities of Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Kennett, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains** did not respond to Oversight's request for fiscal impact.

Officials from the **Boone County Regional Sewer District, Cole County Public Water District #4, Franklin County Water District, Independence Power and Light, Lake of the**

ASSUMPTIONS (continued)

Ozark Solid Waste Management District, Little Blue Valley Sewer District, Mid Missouri Solid Waste Management District, Missouri Association of Sewer Districts, Northwest Missouri Regional Solid Waste Management District, Ozark Rivers Solid Waste Management District, Public Water District 3, Pulaski County Sewer District, Quad Lakes Solid Waste Management District, Region D Recycling & Waste Management District, St. Louis - Jefferson Solid Waste Management, Southwest Missouri Solid Waste District N and Timber Creek Sewer Co Inc did not respond to Oversight's request for fiscal impact.

Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approved by a majority of voters. Oversight will reflect a \$0 or Unknown impact to Local Political Subdivisions starting in FY 2014.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - Fee for lateral sewer lines	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

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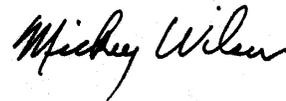
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
City of Kansas City
Public Water Supply District #2 of St. Charles County
Metropolitan St. Louis Sewer District

NOT RESPONDING

Numerous Cities
Numerous Sewer Districts



Mickey Wilson, CPA
Director
April 2, 2012